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GIC PROJECT '98

Active and Retiree Survey Update

by

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GOVERNMENT DOCUMENTS
COLLECTION

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Overview

- Purpose
- Methods
- Results
- Conclusions

Study Features

- Two Surveys
  - Active / Non-Medicare Retiree
  - Medicare Retiree
- Data Collection
  - Mail
  - March - April 1997
- Enrollee Sample

	Target Size	Response Rate
- Actives:	8488	46%
- Non-Medicare Retiree:	1334	
- Medicare Retiree:	1334	69%

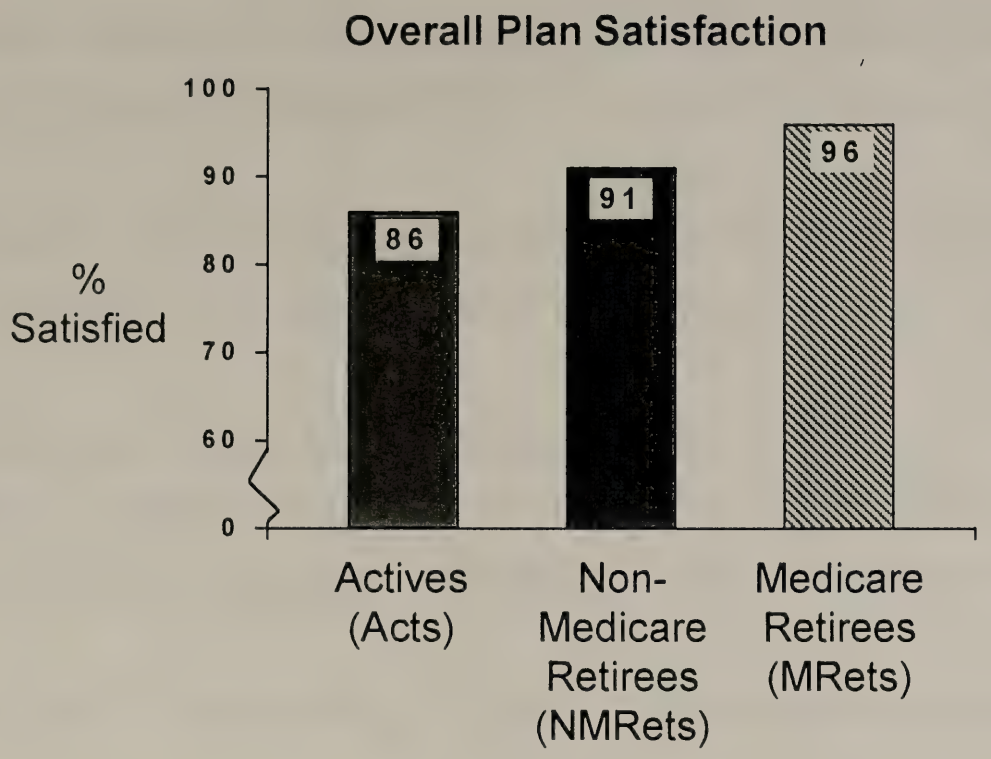
Respondent Demographics

- Indemnity enrollees are older
- Tufts HMO enrollees are younger and more highly educated
- HealthSource CMHC HMO enrollees are most likely to be white and female
- Neighborhood HMO enrollees report lower family income and education levels, and are most likely to be non-white

Analytic Decisions

- Results: Weighted by age and gender
- Methods
  - Unadjusted
  - Tested adjustments (where appropriate) for demographics, length of enrollment, and health status
- Adjustments had no material impact on satisfaction or benefit alternative results
- Unadjusted results presented

Setting the Context



- Satisfaction levels are high in absolute sense

State Plan Enrollment Has Reached an Equilibrium

- Satisfaction level is virtually equal across plans (even though plans differ on certain measures)
- For each individual plan, the satisfaction level of State employees compares well to approximate 1995 C&L norm
- Perceived need for change is low
  - 90% believe current benefit program should be maintained
  - Only 19% believe benefit program needs major changes
- Last year's switching across plans was extremely low

INDEMNITY ONLY

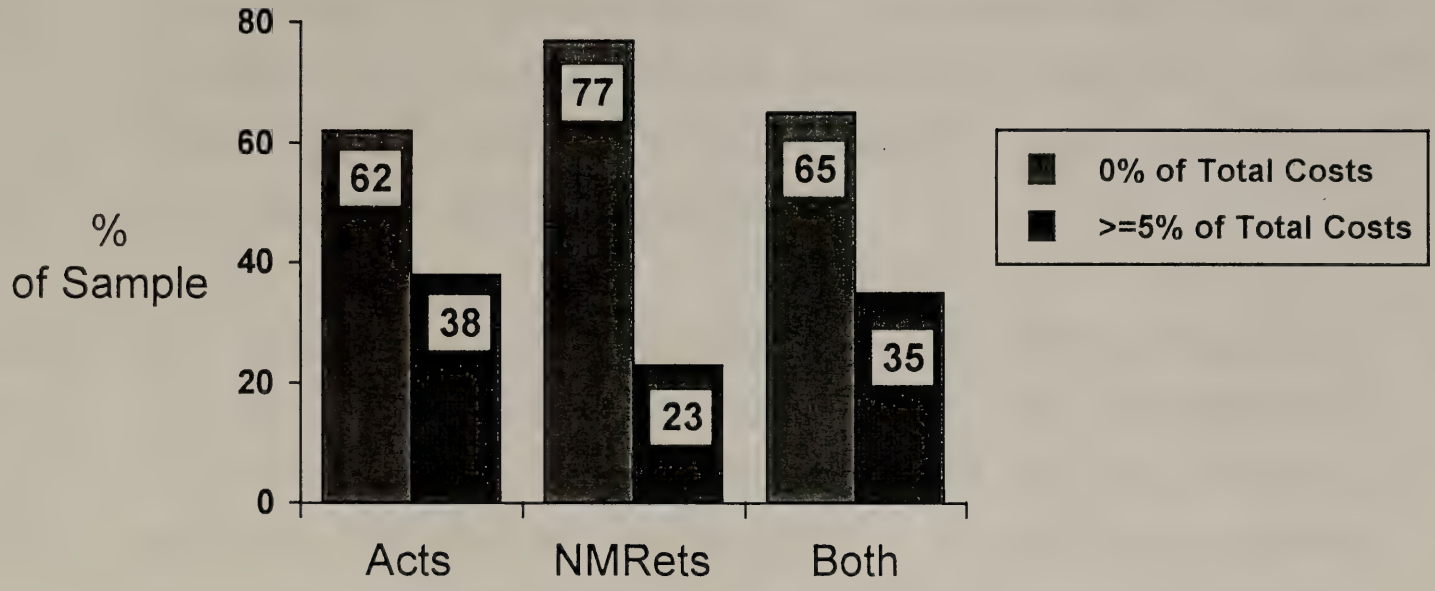
Percent of Total Costs Respondent is Willing to Pay to Remove Precertification Requirements

Question: Assuming an out-of-pocket maximum of $1000, what percentage of the total costs of care are you willing to pay to have the approval requirement removed?

Response Options:
(1) 20% of total costs
(2) "
(3) "
(4) "
(5) "

INDEMNITY ONLY

Percent of Total Costs Respondent is Willing to Pay to Remove Precertification Requirements



- Only one third are willing to pay the minimum percentage of total costs associated with removing precertification approval requirements.

HMO ONLY

Mental Health Care Out-of-Network Benefit: How Much of a Premium Increase Respondent is Willing to Pay

Question: How much of an increase in monthly plan premium contribution would you be willing to pay for a benefit covering the care of mental health care practitioners who are not part of the plan?

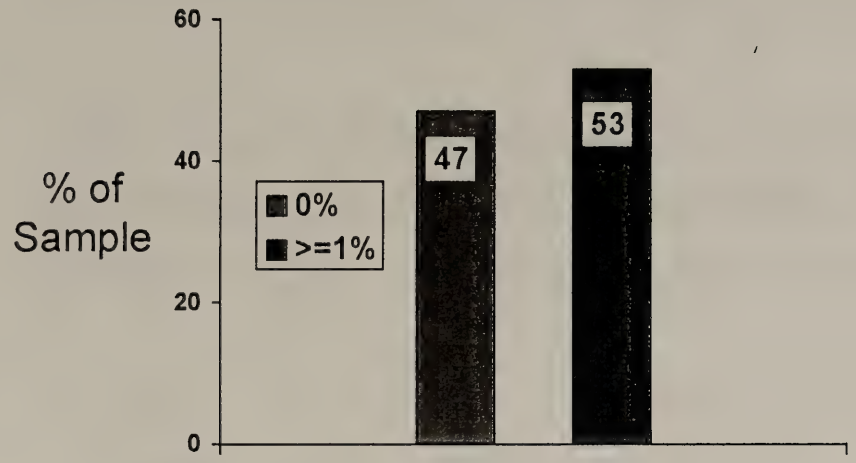
Response Options:

(1) 5% ($1.50 for individuals / $3.75 for families)
(2) 4% ($1.20 for individuals / $3.00 for families)
(3) 3% ($0.90 for individuals / $2.25 for families)
(4) 2% ($0.60 for individuals / $1.50 for families)
(5) 1% ($0.30 for individuals / $075 for families)
(6) 0%

HMO ONLY

(Actives & Non-Medicare Retirees / All Plans)

Mental Health Care Out-of-Network Benefit: How Much of a Premium Increase Respondent is Willing to Pay



- More than half of HMO enrollees are willing to pay the minimum increase needed to cover the costs of a Mental Health Care Out-of-Network Benefit

HMO ONLY

Chiropractic Benefit: How Much of a Co-Payment Increase Respondent is Willing to Pay

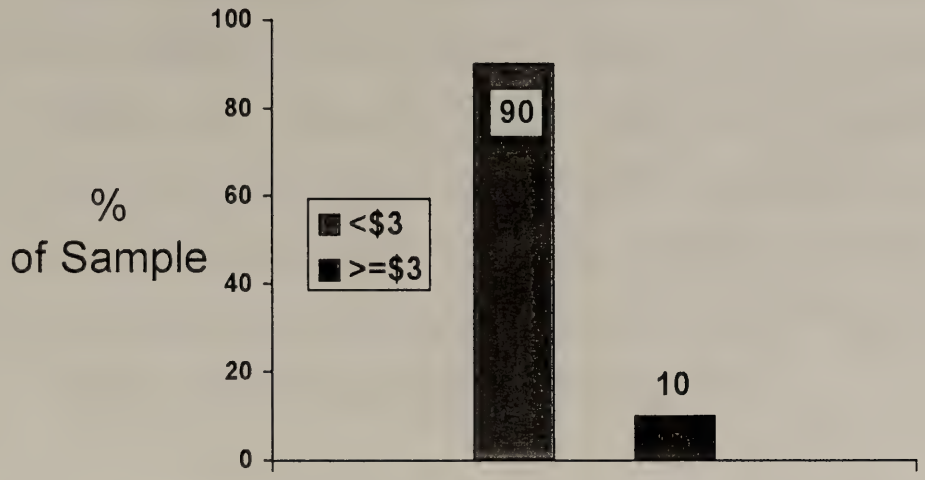
Question: How much of an increase in the co-payments for pharmaceuticals and outpatient visits would you be willing to pay to add a chiropractic benefit?

Response Options:
(1) $3
(2) $2
(3) $1
(4) $0

HMO ONLY

(Actives & Non-Medicare Retirees / All Plans)

Chiropractic Benefit:
How Much of a Co-Payment Increase Respondent is Willing to Pay



- Only one tenth of HMO enrollees are willing to pay the increase in co-payments needed to cover costs of adding a chiropractic benefit

Absorbing Cost Increases

Question: As you know, the GIC is continuing to try to keep health care costs down, but recent changes in the marketplace are making it difficult to do so. There are two ways that enrollees can absorb their portion of any cost increases that may result. They can make greater contributions up front to the plan premium, or they can pay more out-of-pocket at the time they receive care. Recognizing that no one wants to pay more, but that it may be necessary, which way would you prefer?

Response Options:
(1) Increase plan premium contribution amount
(2) Increase out-of-pocket amounts
(3) No preference either way

ALL PLANS

Absorbing Cost Increases

	Acts	NMRets	Both
Increase Premium Cost	50%	45%	49%
No Preference Either Way	18%	30%	19%
Increase O-O-P Amounts	32%	26%	31%

Plan Switching as a Result of Premium Increase

Question: This next question asks about your reaction to possible increases in your monthly premium contribution. How much of a change would need to take place for you to seriously consider changing health plans?

Response Options:

(1) $1-5
(2) $6-10
(3) $11-15
(4) $16-20
(5) $21-30
(6) $31-40
(7) $41 or more
(8) No increase would be enough for you to switch plans

ALL PLANS

(Actives & Non-Medicare Retirees / All Plans)

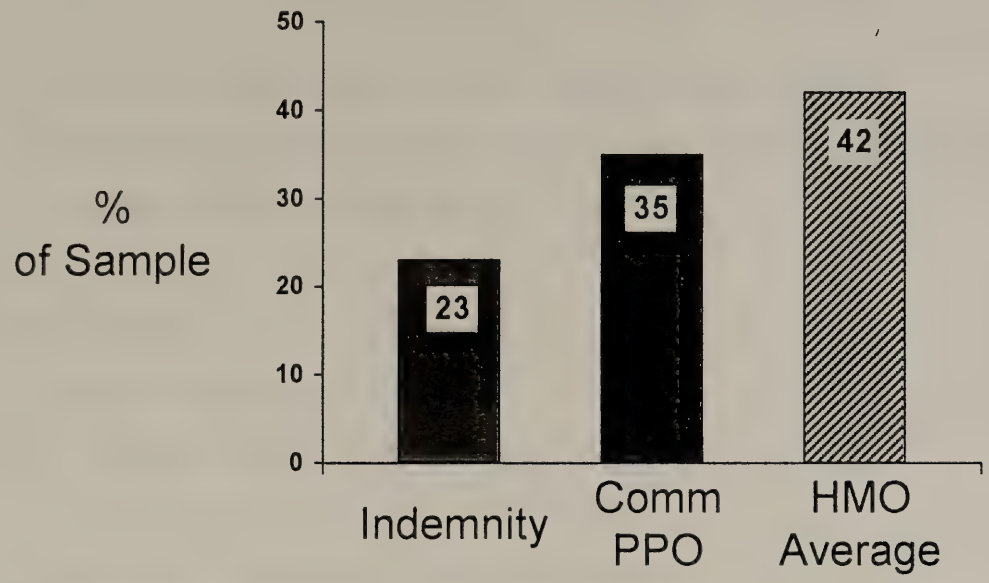
Plan Switching as a Result of Premium Increase

Would Consider Switching if Premium Increased:

$1-5	12%
$6-10	22%
$11-15	19%
$16-20	16%
$21-30	3%
$31-40	3%
=>$41	6%
Would Not Switch	16%

Would Switch if Premium Increased by $10

(Actives & Non-Medicare Retirees / All Plans)



- HMO enrollees were almost twice as likely as Indemnity enrollees to say they would consider switching if their premium increased by $10

INDEMNITY ONLY

(Medicare Retirees)

GIC/Plan Changes and Switching to HMO

	Likely to Switch
If the GIC:	
- Implemented appeals system in HMOs	18%
- Improved communication (re: costs and quality)	21%
- Added dental benefits	36%
If the Plans:	
- Added more doctors	28%
- Affiliated with teaching hospitals	31%
- Covered doctors out-of-plan	41%
- Covered doctors out of state	39%
- Guarantees re: following medical guidelines	40%
- Provided quality information	35%

CONCLUSIONS

- State plan enrollees are in the plans they want to be in and relatively highly satisfied
- Actives and especially retirees are generally not enthusiastic about change
- With some exceptions, state employees are price sensitive, and are not willing to pay the costs for benefit enhancements

Conclusions